



BOULT • CUMMINGS  
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September 26, 2001

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EXECUTIVE SECRETARY

Melvin Malone, Director  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re: Second Complaint of Discount Communications  
Docket # 00-01151

Dear Director Malone:

At the Authority's Sept. 25, 2001 conference, you asked that ATM/Discount Communications, Inc. ("Discount") respond to an affidavit filed by BellSouth Telecommunications, Inc. ("BellSouth") indicating that, during the week of Sept. 17-21, 2001, Discount placed orders with BellSouth for sixty-eight "new" customers.<sup>1</sup> You raised a concern that Discount's actions violated the spirit of the Hearing Officer's Order of September 14, 2001 which prohibited Discount from "billing its former customers for service" beginning Sept. 26, 2001.

Both before and after the Hearing Officer issued his Order, Discount was trying to raise the money to make the escrow account whole and, if possible, avoid the termination of service by BellSouth. Those efforts continued up through the afternoon of Sept. 24, 2001. Although the effort was unsuccessful, Discount hoped, up until the last minute, that the company would be able to obtain the needed financing. Discount therefore continued accepting applications for service with the expectation that the company would remain in business.

Under the terms of the Hearing Officer's Order, however, no Discount customer will lose money as a result of having signed up for service with Discount. The Order requires (at 14) that Discount "refund any payments received from its customers for any service provided by BellSouth after the date of the change over", *i.e.*, after September 25, 2001. Thus, all sixty-eight of those recently-signed customer, as well as Discount's other customers, will receive *pro-rata* refunds.

I hope this addresses the concerns you have raised.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

Henry Walker

HW/NL  
cc: Guy Hicks, Esq.

<sup>1</sup> A Discount customer who had previously been disconnected for non-payment and then pre-paid for another month of service is recorded by BellSouth as a "new" customer. Thus, the "new" customer could actually be a Discount customer of long standing.